



Take-home messages from the Fertilizer Prices Surge Roundtable Meeting held on Thursday 16th September 2021 as presented by Dr. Joseph Nagoli of the National Planning Commission

The roundtable discussion is in line with Malawi 2063 vision and speaks directly to the pillar on agricultural productivity, commercialization and wealth creation.

Key Messages

1. Fertilizer price increases are driven by global market, with rising food prices as a key root cause. In turn, food prices are related to the recovery in some parts from Covid-19, production shortages in key global regions, and rising fuel and transportation costs.
2. The upsurge in fertilizer prices hinders Malawi's ability to achieve the national food security. There is going to be a serious food security crisis next year if we do not act today.
3. Although fertilizer prices may reduce in the future, it is unlikely to happen in time for the coming season. Hence, a decision must be taken quickly on the most cost-effective way of delivering fertilizers. Any delay will affect timely distribution to farmers.
4. In the long run, Malawi can reduce its vulnerability to global fertilizer price volatility by investing in infrastructure (roads, water, rail, transport), improving fertilizer use efficiency through R&D and extension, macroeconomic management, improving soil health, storage, distribution and retailing, increasing capacity for blending fertilizers tailored to specific soils and areas, and potentially establishing an in-country fertilizer manufacturing plant.
5. The fertilizer market in Malawi is dominated by few players with little competition. There is need to increase participation of firms in the fertilizer industry.
6. Diversification of the food and export base is important.
7. There is need for credible contracting of fertilizer firms which participate in the AIP.